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June 28, 2002

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: *Application by Qwest Communications International, Inc. for Authorization to Provide In-Region InterLATA Services in the States of Colorado, Idaho, Iowa, Nebraska and North Dakota, Docket No. 02-148*

Qwest Petition for Declaratory Ruling on the Scope of the Duty to File and Obtain Prior Approval of Negotiated Contractual Arrangements under Section 252(a)(1), Docket No. 02-89

Dear Ms. Dortch:

On Thursday, June 27, 2002, Richard Rocchini, John Finnegan, Mark Schneider, Ken Wilson, and the undersigned, all representing AT&T, met with Bill Dever, Ty Cotrill, Guy Benson, Michael Carowitz, Jon Minkoff, Elizabeth Yockus, Sharon Lee, Marcy Greene, Michael Engel, Ken Lynch, Kimberly Cook, Leslie Selzer, Rodney McDonald, Pamela Megna and Bob Bentley of the Commission's staff. Participating by conference call were Mary Tribby, Rebecca DeCook, Gary Witt, Letty Freisen, Steven Weigler, and Timothy Connolly, also representing AT&T. The purpose of this meeting was to discuss the non-pricing issues AT&T will raise in comments to be filed in the above-referenced Qwest 271 proceeding. The attached documents were distributed during the meeting and served as the basis of our discussion.

One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

Amy L Alvarez

cc: Michael Carowitz
Elizabeth Yockus
Gary Remondino
Yaron Dori

PRESENTATION FOR THE FCC AND DOJ
QWEST COMPLIANCE WITH CHECKLIST ITEMS

Interconnection: Qwest manipulates trunk group capacity

Dark Fiber: Qwest treats dark fiber as an EEL

Transport: Qwest treats UNE transport like a loop

Resale: Qwest inappropriately markets to CLEC customers

Kenneth Wilson

Representing AT&T

June 27, 2002

Qwest MANIPULATES CLEC INTERCONNECTION TRUNK GROUPS

1. Restricts Interconnection Trunk Growth

2. Unilaterally Downsizes Interconnection Trunks

Qwest requires CLEC to pay Qwest to build facilities to meet CLEC's interconnection forecast

- Qwest has always tried to minimize the number of interconnection trunks
- Qwest responds to CLEC forecasts with their own forecast of traffic growth
- Qwest traffic forecasts tend to be much more conservative than CLEC forecasts
- The CLEC may have new customers, new marketing plans, etc. that will drive additional traffic
- If the CLEC does not have utilization that is 50% of forecast, Qwest will not build to the CLEC forecast unless the CLEC pays a deposit
- 50% utilization against actuals, much less forecasts, is difficult to maintain
- Qwest does not meet this criteria in most states and is barely over in others
- It is unreasonable to expect CLECs to manage their networks as efficiently as Qwest

Qwest reserves the right to unilaterally downsize CLEC interconnection trunks

- CLECs set up interconnection trunks in anticipation of expanded business
- CLEC customer growth can be very dynamic, rising quickly with a single account
- CLECs should not be expected to manage trunks as efficiently as Qwest
- Qwest's SGAT allows Qwest to unilaterally take back trunk capacity
- Qwest requires trunks to be at 50% utilization or better
- Qwest does not in all cases manage its trunks to this standard
- This SGAT provision is discriminatory and can lead to delays in CLEC business expansion

Qwest TREATS DARK FIBER AS EEL

Qwest applies EEL local use restriction to Dark Fiber

Qwest inappropriately applying EEL local use restriction to Dark Fiber

- Qwest is inappropriately applying the FCC's use restrictions for EELs to dark fiber

- Dark fiber loops and transport, by definition, is combined and lit by the CLEC

- Because CLECs combine dark fiber, the FCC's use restrictions do not apply

Qwest TREATS UNE TRANSPORT AS A LOOP

Qwest requires a loop type facility from the CLEC wire center to the Qwest wire center

UNE Transport Is Not a Loop

- Typically, transport is ordered from the CLEC wire center to a distant Qwest wirecenter (Diagram 1)

- Instead of charging for transport from end to end, Qwest has two charges (Diagram 2)

    Extended Unbundled Dedicated Transport (EUDIT)

    plus

    Unbundled Dedicated Transport (UDIT)

- EUDIT is priced like a loop

- Transport to another carrier should be transport, not loop

- This raises the cost for CLECs ordering UNE Transport

- For example, Qwest would charge for 2 loops plus transport for a single EEL

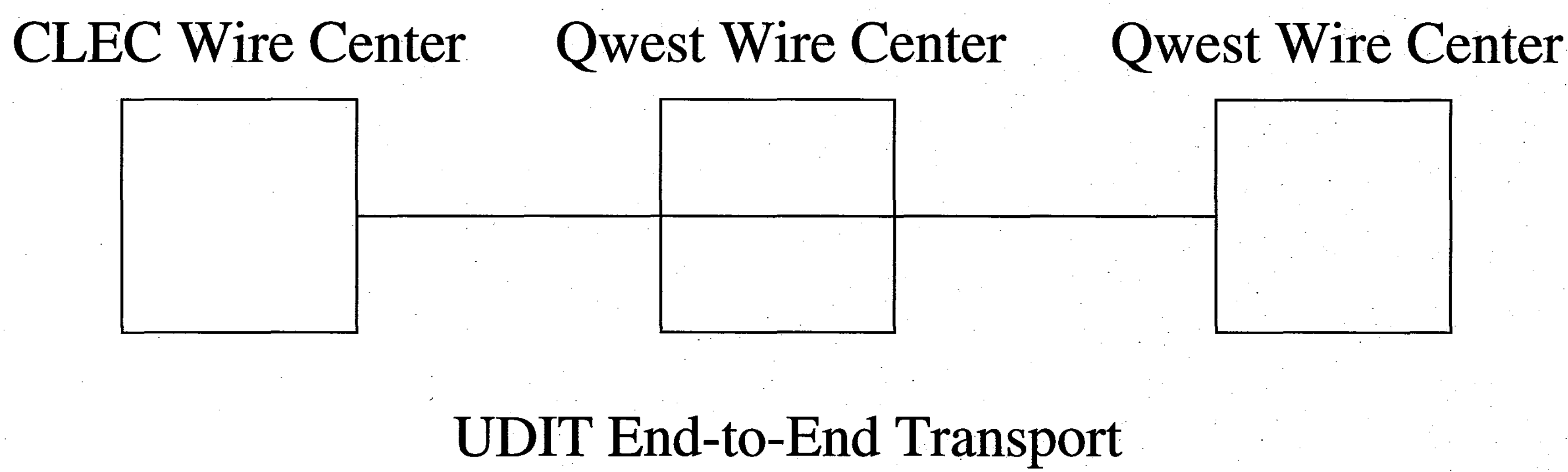

Diagram 1. UNE Transport Should be Point to Point

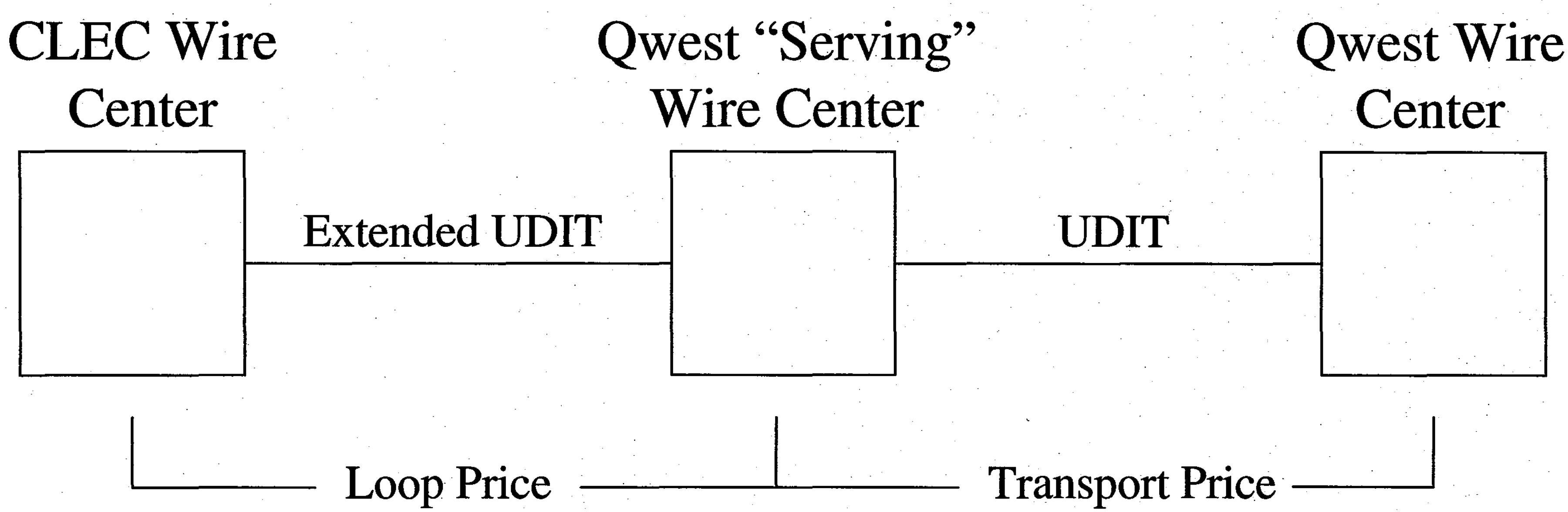

Diagram 2. UNE Transport is not a Loop

Qwest INAPPROPRIATELY MARKETS TO CLEC CUSTOMERS

Qwest uses misdirected CLEC customer calls to Qwest service centers as marketing opportunities

Qwest plans to use misdirected calls as sales opportunities.

- Former Qwest customers will continue to call Qwest in error when service issues arise
- Misdirected calls should not be used for sales opportunities unless the customer asks
- Qwest maintains that it has the right to turn misdirected calls into sales opportunities
- Qwest has scripted sales dialogues for such calls
- Qwest is taking advantage of the fact that customers are more likely to call Qwest than a CLEC, forcing unwanted marketing pitches on CLEC customers

Qwest's Operational Support Systems
Key Deficiencies

- Excessive rate of human error in Qwest's processing of CLEC orders. 15.8% rate of Qwest human error in last KPMG Consulting retest. (12.8-2, Observation 3110 and Observation 3086.)
- Qwest's capture of performance measurement data is unreliable and inconsistent. (12-11-4, 14-1-44, and Observation 3110.)
- Low overall flow-through rates: 50% +/- 10% depending upon product. (Commercial Data)
- Qwest takes longer to provision UNE-P and business resale services not requiring a dispatch than for similarly situated retail customers. (14-1-34 and 14-1-36) Qwest took a statistically significantly longer time to install UNE-P no dispatch services in three of the last five months of reported data. (Commercial Data)
- Five consecutive failures of the DUF billing test (19-1-2 and 19-1-3) demonstrate that Qwest's DUF production and distribution processes are incapable of recognizing when its is producing incomplete and inaccurate DUF files. (Test 19) Many of Qwest's secret deals include terms for settlement of incomplete and inaccurate DUF files.
- Qwest's UNE-P wholesale bills are not auditable and do not provide sufficient detail to verify the accuracy of Qwest's charges.
- Qwest changes due dates for CLEC orders at a rate (7% - 12%) that is two to three times higher than the rate for similarly situated retail customers (2% - 7%). The difference is statistically significant in every month of reported data. (PO-15 Commercial Data)
- Qwest has demonstrated through KPMG Consulting's review of its provisioning processes that Qwest is incapable of adequately provisioning EELs and Dark Fiber. (14-1-10, 14-1-14) Qwest has missed the OP-3 Commitments Met benchmark (90%) in four of the last five months (Commercial Data OP-3D.)
- Qwest does not provide as much advance notice of order jeopardies to CLECs as it does to similarly situated retail customers. (PO-8A Non-design services – CLEC notice interval inferior to retail notice interval by a statistically significant amount in the last six months. PO-8D UNE-P - CLEC notice interval inferior to retail notice interval by a statistically significant amount in seven of the last nine months.)
- Qwest does not provide jeopardy notices for missed commitments at the same rate as for similarly situated retail customers. (12-9-4 Resale and 12-9-5 UNE-P) The percent of orders with missed commitments receiving jeopardy notices for unbundled loops (PO-9B) was inferior to similarly situated retail customers by a statistically significant amount in ten of the last twelve months. (Commercial Data). The percent of orders with missed commitments receiving jeopardy notices for UNE-P was inferior in eleven of the last twelve months. In eight of those months, the difference was statistically significant. (Commercial Data)
- The quality of Qwest repairs for CLEC services are inferior to the quality for similarly situated retail customers. The repeat report rate for UNE-P services where the repair did not require a dispatch (MR-7C) was statistically significantly

worse in the last twelve months. The repeat report rate for UNE-P Centrex services where the repair required a dispatch (MR-7A) was statistically significantly worse in the last four months. For UNE-P Centrex repairs that did not require a dispatch (MR-7A) the difference was worse by a statistically significant amount in four of the last five months. The repeat report rate for line sharing 40% vs. 25% for Qwest DSL.

- Qwest's Stand Alone Test Environment ("SATE") does not mirror its production environment and does not include a complete list of services.
- Qwest's Change Management Process ("CMP") has not demonstrated a pattern of compliance.

Impact of Human Errors By Qwest Order Processing Personnel

AT&T Assertion	Qwest Response	Reality
Longer Intervals	• OP-4 Results show shorter intervals. • Very little chance of extended application date – systems do not allow entry of date past today and 98% of orders processed same day.	• The 98% figure misrepresents the problem. The analysis should only consider the orders that are manually processed. • An order received today and worked tomorrow that should have an application date of today could erroneously receive an application date of tomorrow. • The erroneous assignment of an application date would carry through to the OP-4 calculation and result in reported intervals that are one day shorter than the actual interval. • KPMG Consulting recognized that OP-4 results should be reported by those that are manually and electronically processed.
Erroneous Rejects	• PO-4A-1 and PO-4B-1 show low manual reject rate. • <1% rejects in Error	• PO-4A-1 Manual Rejection Rate (GUI) – 3.6% - 6.0% • PO-4B-1 Manual Rejection Rate (EDI) – 5.2% - 11.4% • AT&T % orders rejected in error – 30% to 98%. • Qwest's assertion of the % rejects in error is unaudited and not based upon any approved PID. • KPMG Consulting recommended that a measurement be developed for the accuracy of order rejections.
Improperly Installed Services	• OP-5 Demonstrates Accuracy • KPMG found Qwest accurately installs features – 14-1-2 and 14-1-3 to 5.	There is no approved version of a service order accuracy measurement. KPMG Consulting recommended that a service order accuracy measurement be developed. OP-5 does not cover orders for which Qwest failed to install one or more features. KPMG Consulting found many human errors associated with incorrect installation of features. The cited evaluation criteria do not distinguish between orders processed electronically and manually.